

Report Date: January 28, 2016

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OLD SAN JUAN, PR

TCAPR, CORP.
Office of the
Technical
Compliance Advisor

December 31

2015

**Financial
Report as of:**

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Prepared by:
Eric Guzman
Executive Office
Manager

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To: Judge Gustavo A Gelpi
United States District Court of Puerto Rico
Federico Degetau Federal Building
150 Carlos Chardon Street
San Juan, PR, 00918-1767

From: Eric Guzman
Executive Office Manager
Office of the Technical Compliance

Re: Mr. Arnaldo Claudio
Technical Compliance Advisor ("TCA")
TCAPR, Corp.

Subject: Financial Report as of December 31, 2015

Copies: US Department of Justice
PR Department of Justice

TCAPR, Corp.
Statement of Operations and Fund Balance vs. Budget
As of December 31, 2015

TCAPR, CORP.	ACTUAL	BUDGET	VARIANCE
TOTAL PRPD REFORM CONTRIBUTIONS	\$ 1,417,989.47	\$ 1,480,739.09	\$ (62,749.62)
PROGRAM EXPENSES			
SALARIES & WAGES	\$ 466,314.36	\$ 467,400.00	\$ (1,085.64)
CONSULTANTS (CORE TEAM)	604,950.00	719,819.98	(114,869.98)
SPECIALISTS	228,281.25	162,500.04	65,781.21
TRANSPORTATION	21,598.45	44,710.02	(23,111.57)
TOTAL PROGRAM EXPENSES	<u>\$ 1,321,144.06</u>	<u>\$ 1,394,430.04</u>	<u>\$ (73,285.98)</u>
MANAGEMENT & GENERAL EXPENSES			
EMPLOYER RELATED TAXES & BENEFITS	\$ 44,076.34	\$ 35,514.64	\$ 8,561.70
COMMUNICATIONS	2,330.78	3,000.00	(669.22)
PROFESSIONAL FEES	17,520.00	17,520.00	-
BANK CHARGES & FEES	550.16	380.00	170.16
OTHER OFFICE CHARGES	3,863.45	5,269.98	(1,406.53)
OFFICE RENT EXPENSE	36,000.00	36,000.00	-
TOTAL MANAGEMENT & GENERAL EXPENSES	<u>\$ 104,340.73</u>	<u>\$ 97,684.62</u>	<u>\$ 6,656.11</u>
FUND BALANCE (DEFICIENCY) (F5)	<u><u>\$ (7,495.32)</u></u>	<u><u>\$ (11,375.57)</u></u>	<u><u>\$ 3,880.25</u></u>

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TCAPR, Corp.
Budget Savings from Program and Management Expenses
As of December 31, 2015

TCAPR, CORP.	ACTUAL	BUDGET	VARIANCE
PROGRAM EXPENSES	\$ 1,321,144.06	\$ 1,394,430.04	\$ (73,285.98)
MANAGEMENT & GENERAL EXPENSES	104,340.73	97,684.62	6,656.11
BUDGET SAVINGS FROM PROGRAM & MANAGEMENT EXPENSES	<u>\$ 1,425,484.79</u>	<u>\$ 1,492,114.66</u>	<u>\$ (66,629.87)</u>

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TCAPR, Corp.
Statement of Financial Position
As of December 31, 2015

TCAPR, CORP.	ACTUAL
ASSETS	
<u>CURRENT ASSETS</u>	
PETTY CASH	\$ 93.11
BANK ACCOUNT	9,594.59
RESTRICTED FUNDS (F1)	7,675.00
PRPD FUND RECEIVABLE (USDC)	63,738.50
PRPD FUND UNBILLED EXPENSES (USDC)(F2)	2,901.23
TOTAL CURRENT ASSETS	84,002.43
<u>OTHER ASSETS</u>	
PREPAID INSURANCE	399.00
PRTC DEPOSIT (F3)	150.00
TOTAL OTHER ASSETS	549.00
TOTAL ASSETS	\$ 84,551.43
LIABILITIES AND FUND BALANCES	
<u>CURRENT LIABILITIES</u>	
ACCOUNTS PAYABLE	\$ 62,710.95
TCAPR OVERBILLED (F4)	866.74
SOCIAL SECURITY TAXES	2,743.81
STATE INCOME TAX WITHHOLDING	4,998.07
VA INCOME TAX WITHHOLDING	583.68
CHAUFFER INSURANCE	11.20
7% INCOME TAXES PAYABLE	3,750.50
ACCRUED VACATION	4,500.00
ACCRUED SICK	2,880.00
TOTAL CURRENT LIABILITIES	83,194.95
RESTRICTED FUND BALANCE	1,356.48
TOTAL LIABILITIES AND FUND BALANCES	\$ 84,551.43

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TCAPR, Corp.
Statement of Financial Position
As of December 31, 2015

Footnote 1: Restricted Funds

The actual bank account balance contains funds in the amount of \$7,675 that have been designated for the following transactions:

- (a) Landlord Deposit of \$6,000
- (b) Funds for an Office Switchboard of \$1,675

Footnote 2: PRPD Fund Unbilled Expenses (USDC)

This amount represents TCA Office expenses incurred that are to be invoiced to the U.S. District Court.

Footnote 3: PRTC Deposit

As a prerequisite to establishing a telephone/internet service with the PRTC/Claro for the TCA Office, a commercial deposit of \$150 is required. Upon the closing of this account service, this deposit is to be applied towards the TCA Office's final invoice with any excess deposit to be refunded.

Footnote 4: TCAPR Overbilled

The TCA Office operates with reimbursement from PRPD funds assigned by the Government of Puerto Rico General Fund deposited with the USDC and restricted for a specific use. During the closing of the TCA Office's accounting books and records for the entire 2015 calendar year, small discrepancies emerged between the amounts requested for reimbursements and the actual amounts paid by the TCA Office totaling \$866.74. These discrepancies could be the result of timing issues or administrative inaccuracies during the reimbursement and/or payment process. This amount of \$866.74 has been recorded on the accounting books and records as an overbilled amount held in escrow by the TCA Office and is to be used to pay employer state unemployment taxes due for the first quarter of 2016.

Footnote 5: Fund Balance (Deficiency)

Deficiency on fund balance corresponds to non-billed vacations and sick leave accruals of non-exempt employees who worked more than 115 hours per month as required by Act No. 180 of July 27, 1998. Vacations and/or sick leave used by non-exempt employees during the year are applied against "fixed monthly staff salaries" funds. At the time of terminating an non-exempt employee, any unused vacation leave balance will be include in the monthly invoice and presented to the parties US Department of Justice, PR Department of Justice and to the United States District Court of Puerto Rico.